

HOUSING AUTHORITY OF THE CITY OF ALEXANDRIA
Alexandria, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)

Revenues (Continued)

Interest earnings on time deposits are recorded when the time deposits have matured and the interest is available. Interest income on interest bearing demand deposits is recorded each month when credited by the bank to the account.

Substantially all other revenues are recorded when they become available to the Housing Authority.

Expenditures — Salaries are recorded as expenditures when incurred.

Purchases of various operating supplies are recorded as expenditures in the accounting period they are consumed.

Compensated absences are recognized as expenditures when leave is actually taken or when employees (or heirs) are paid for accrued leave upon retirement or death, while the cost of leave privileges not requiring current resources is recorded in the general long-term obligations account group.

Principal and interest on general long-term debt are recognized when incurred.

Substantially all other expenditures are recognized when the related fund liability has been incurred.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of fixed assets, debt extinguishments, long-term debt proceeds, et cetera) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

Proprietary Funds

Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet.

Fiduciary Funds

The *agency fund* is custodial in nature and does not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. This fund is used to account for rental security deposits that the Housing Authority holds for others in an agency capacity.

HOUSING AUTHORITY OF THE CITY OF ALEXANDRIA
Alexandria, Louisiana

PROPRIETARY FUND TYPE - INTERNAL SERVICE
Statement of Revenues, Expenses, and
Changes In Retained Earnings
For The Year Ended June 30, 1996

Statement E

OPERATING REVENUE	
Premiums	\$ <u>132,324</u>
OPERATING EXPENSES	
Administration	\$ 66,047
Claims	<u>78,783</u>
Total operating expenses	\$ <u>144,830</u>
Operating income (loss)	(12,506)
RETAINED EARNINGS AT BEGINNING OF YEAR	\$ <u>59,417</u>
RETAINED EARNINGS AT END OF YEAR	<u>\$ 46,911</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

HOUSING AUTHORITY OF THE CITY OF ALEXANDRIA
Alexandria, Louisiana

PROPRIETARY FUND TYPE - INTERNAL SERVICE
Statement of Cash Flows
For the Year Ended June 30, 1996

Statement F

CASH FLOW FROM OPERATING ACTIVITIES	
Operating income (loss)	\$ (12,506)
Adjustments to reconcile operating income to net cash provided (used) for operating activities	
Increase (decrease) in payable	(1,113)
(Increase) decrease in receivable	<u>0</u>
Net cash provided (used) for operating activities	\$ (13,619)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>69,315</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 55,696</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

HOUSING AUTHORITY OF THE CITY OF ALEXANDRIA
Alexandria, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996

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HOUSING AUTHORITY OF THE CITY OF ALEXANDRIA
Alexandria, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996

INTRODUCTION

Housing Authorities are chartered as public corporations under the laws (LSA-RS 40:391) of the State of Louisiana for the purpose of providing safe and sanitary dwellings accommodations. This creation was contingent upon the local governing body of the city or parish declaring a need for the Housing Authority to function in such city or parish. The Housing Authority of the City of Alexandria is governed by a five member Board of Commissioners. The members, appointed by the Honorable Mayor of the City of Alexandria, serve a staggered term of five years.

Under the United States Housing Act of 1937, as amended, the U. S. Department of Housing and Urban Development (HUD) has direct responsibility for administering low-rent housing programs in the United States. Accordingly, HUD has entered into an annual contributions contract with the Housing Authority for the purpose of assisting the Housing Authority in financing the acquisition, construction and leasing of Housing Units and to make annual contributions (subsidies) to the Housing Authority for the purpose of maintaining this low-rent character.

The Housing Authority participates in Section 8 housing assistance payment programs. The rental certificate and moderate rehabilitation programs provide assistance to low-income persons seeking housing by subsidizing rents between tenants and owners of existing private housing. Under these two programs, the Housing Authority enters into housing assistance payment contracts with landlords. The Section 8 Rental Voucher Program, another Section 8 housing assistance program, provides assistance to low-income families. The program provides for a voucher which can be used by the tenant to pay rent to any landlord he chooses.

The Housing Authority has the following units:

PHA Owned Housing	FW 1142	772
Section 8		
Rental Certificates	FW 2069	552
Moderate Rehab #1	FW 2069	30
Moderate Rehab #2	FW 2069	20
Moderate Rehab #3	FW 2069	41
Rental Vouchers	FW 2221	220
Department of Transportation and Development		18

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Housing Authority of the City of Alexandria have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

HOUSING AUTHORITY OF THE CITY OF ALEXANDRIA
Alexandria, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. REPORTING ENTITY

GASB Statement 14 establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Housing Authority is considered a *primary government*, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement 14, fiscally independent means that the Housing Authority may, without the approval or consent of another governmental entity, determine or modify its own budget, control collection and disbursements of funds, maintain responsibility for funding deficits and operating deficiencies, and issue bonded debt. The Housing Authority also has no *component units*, defined by GASB Statement 14 as other legally separate organizations for which the elected Housing Authority members are financially accountable.

The Housing Authority is a related organization of the City of Alexandria since the City of Alexandria appoints a voting majority of the Housing Authority's governing board. The City of Alexandria is not financially accountable for the Housing Authority as it cannot impose its will on the Housing Authority and there is no potential for the Housing Authority to provide financial benefit to, or impose financial burdens on, the City of Alexandria. Accordingly, the Housing Authority is not a component unit of the financial reporting entity of the City of Alexandria.

Certain units of local government over which the Housing Authority exercises no oversight responsibility, such as the school board, parish police jury, other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the Housing Authority. In addition, the accompanying financial statements do not include various tenant associations which are legally separate entities.

B. FUNDS AND ACCOUNT GROUPS

The accounts of the Housing Authority are organized and operated on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds.

The funds of the Housing Authority are classified into three categories: governmental, proprietary and fiduciary. In turn, each category is divided into separate fund types. The fund and account group classifications and a description of each existing fund type follow:

HOUSING AUTHORITY OF THE CITY OF ALEXANDRIA
Alexandria, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. FUNDS AND ACCOUNT GROUPS (Continued)

Fiduciary Funds (Continued)

Agency Fund — custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. This fund is used to account for assets that the government holds for others in an agency capacity. The tenants' security deposits agency fund accounts for assets held by the Housing Authority as an agent for the individual.

Account Groups

The *general fixed assets account group* is used to account for fixed assets not accounted for in proprietary or trust funds.

The *general long-term debt account group* is used to account for general long-term debt and certain other liabilities that are not specific liabilities of proprietary or trust funds.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The governmental funds use the following practices in recording revenues and expenditures:

Revenues — Federal entitlements are recorded as unrestricted grants-in-aid when available and measurable. Federal restricted grants are recorded when the reimbursable expenditures have been incurred.

Rental income is recorded in the month earned.



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO NONMAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAM TRANSACTIONS

Board of Commissioners
HOUSING AUTHORITY OF THE CITY
OF ALEXANDRIA
Alexandria, Louisiana

U. S. Department of Housing and
Urban Development
Housing Management Division
501 Magazine Street, 9th Floor
New Orleans, Louisiana

We have audited the general purpose financial statements of the Housing Authority of the City of Alexandria, Louisiana as of and for the year ended June 30, 1996, and have issued our report thereon dated January 24, 1997.

In connection with our audit of the general purpose financial statements of the Housing Authority of the City of Alexandria, Louisiana, and with our consideration of the Housing Authority's control structure used to administer federal financial assistance programs, as required by Office of Management and Budget (OMB) Circular A-128, "Audits of State and Local Governments," we selected certain transactions applicable to certain nonmajor federal financial assistance programs for the year ended June 30, 1996. As required by OMB Circular A-128, we performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed; special reporting requirements; and claims for advances and reimbursements that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Housing Authority of the City of Alexandria, Louisiana's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the Housing Authority of the City of Alexandria, Louisiana, had not complied, in all material respects, with those requirements.

This report is intended for the information of the Board of Commissioners, management, and the U. S. Department of Housing and Urban Development. However, this report is a matter of public record and its distribution is not limited.

Allen Green & Robinette

ALLEN, GREEN & ROBINETTE, L.L.P.

Monroe, Louisiana
January 24, 1997

**HOUSING AUTHORITY OF THE CITY OF ALEXANDRIA
Alexandria, Louisiana**

**SUPPLEMENTAL INFORMATION SCHEDULES
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996**

GENERAL

COMPENSATION PAID BOARD MEMBERS

The members of the Board of Commissioners serve without compensation. The members of the Board Of Commissioners are as follows:

Mr. Samuel McKay	Chairman
Mr. Henry (Hank) Lazarone	Vice Chairman
Mr. Joseph Belvin	
Mr. Jack Courtney	
Mr. Morris W. Doss	

FEDERAL FINANCIAL ASSISTANCE PROGRAMS

In accordance with Office of Management and Budget (OMB) Circular A-128, a schedule of federal financial assistance is presented.

**HOUSING AUTHORITY OF THE CITY OF ALEXANDRIA
Alexandria, Louisiana**

**SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
For the Year Ended June 30, 1996**

Schedule 7

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR / PROGRAM NAME	CFDA NUMBER	GRANT ID #	PROGRAM OR AWARD AMOUNT
U.S. DEPT. OF HOUSING AND URBAN DEVELOPMENT			
DIRECT PROGRAMS			
Public and Indian Housing - Operating Subsidy	14.850	FW 1142	\$ <u>1,013,165</u>
Public and Indian Housing - Drug Elimination Program	14.854	FW 1142	\$ <u>47,401</u>
Public and Indian Housing - Comprehensive Grant Program			
LA 23-702	14.859	FW 1142	\$ 43,921
LA 23-703	14.859	FW 1142	633,939
LA 23-704	14.859	FW 1142	1,071,692
LA 23-907	14.859	FW 1142	270
LA 23-909	14.859	FW 1142	<u>2,970</u>
 TOTAL PROGRAM		*	\$ <u>1,752,792</u>
 Section 8 Rental Certificate Program	14.857	*	FW 2069
			\$ <u>1,539,463</u>
Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation			
MOD Rehab #1	14.856	FW 2069	\$ 80,271
MOD Rehab #2	14.856	FW 2069	40,139
MOD Rehab #3	14.856	FW 2069	<u>107,431</u>
 TOTAL PROGRAM			\$ <u>227,841</u>
 Section 8 Rental Vouchers	14.855	*	FW 2221
			\$ <u>564,600</u>
 TOTAL U.S. DEPT. OF HOUSING AND URBAN DEVELOPMENT			\$ <u>5,145,262</u>

The PHA is indebted to the Department of Housing & Urban Development for \$6,856,459 at June 30, 1996.

* Indicates Major Program

HOUSING AUTHORITY OF THE CITY OF ALEXANDRIA
Alexandria, Louisiana

CAPITAL PROJECT FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended June 30, 1996

Schedule 4

	PROJECT LA 23-702	PROJECT LA 23-703	PROJECT LA 23-704	TOTAL
REVENUES				
Federal grants	\$ 43,921	\$ 633,939	\$ 1,071,692	\$ 1,749,552
Total revenues	\$ 43,921	\$ 633,939	\$ 1,071,692	\$ 1,749,552
EXPENDITURES				
Facilities acquisition and construction	\$ 43,921	\$ 633,939	\$ 1,071,692	\$ 1,749,552
Total expenditures	\$ 43,921	\$ 633,939	\$ 1,071,692	\$ 1,749,552
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 0	\$ 0	\$ 0	\$ 0
FUND BALANCE AT BEGINNING OF YEAR	0	0	0	0
FUND BALANCE AT END OF YEAR	\$ 0	\$ 0	\$ 0	\$ 0

**HOUSING AUTHORITY OF THE CITY OF ALEXANDRIA
Alexandria, Louisiana**

**GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
Combined Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget (GAAP Basis) and Actual
For the Year Ended June 30, 1996**

Statement D

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Local sources:			
Interest earnings	\$ 0	\$ 36,618	\$ 36,618
Other	0	16,867	16,867
Federal sources:			
Grants	3,178,538	2,331,904	(846,634)
Total revenues	\$ 3,178,538	\$ 2,385,389	\$ (793,149)
EXPENDITURES			
Current:			
Administration	\$ 343,442	\$ 278,980	\$ 64,462
Housing assistance payments	2,835,096	2,037,392	797,704
Facilities acquisition and construction	0	1,294	(1,294)
Total expenditures	\$ 3,178,538	\$ 2,317,666	\$ 860,872
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 0	\$ 67,723	\$ 67,723
FUND BALANCES AT BEGINNING OF YEAR	0	603,224	603,224
FUND BALANCES AT END OF YEAR	\$ 0	\$ 670,947	\$ 670,947

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

HOUSING AUTHORITY OF THE CITY OF ALEXANDRIA
Alexandria, Louisiana

SUPPLEMENTAL INFORMATION SCHEDULES -
HUD PRESCRIBED FORMAT

HOUSING AUTHORITY OF THE CITY OF ALEXANDRIA
Alexandria, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. FUNDS AND ACCOUNT GROUPS (Continued)

Governmental Funds

Governmental funds account for all or most of the Housing Authority's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds include:

General Fund — the primary operating fund of the Housing Authority. It accounts for all financial resources of the Housing Authority, except those required to be accounted for in another fund. The general fund includes transactions of the low rent housing assistance programs.

Special Revenue Funds — account for the revenue sources that are legally restricted to expenditures for specified purposes (not including major capital projects). Special revenue funds contain transactions of the various Section 8 Housing Assistance Programs, the Drug Elimination Program and the Department of Transportation program administered by the Housing Authority.

Capital Projects Funds — account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not being financed by proprietary or nonexpendable trust funds. Capital projects funds contain transactions relating to active comprehensive grant programs.

Proprietary Funds

Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. The proprietary fund includes the following:

Internal Service Fund — accounts for operations that provide services to other departments or agencies of the government, or to other governments, on a cost-reimbursement basis. This fund accounts for transactions of the Group Health Self-Insurance Fund.

Fiduciary Funds

Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of outside parties, including other governments, or on behalf of other funds within the Housing Authority. Fiduciary funds include the following:

HOUSING AUTHORITY OF THE CITY OF ALEXANDRIA
Alexandria, Louisiana

**GENERAL PURPOSE FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996
WITH SUPPLEMENTAL INFORMATION SCHEDULES**

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INDEPENDENT AUDITORS' REPORT ON THE INTERNAL CONTROL STRUCTURE USED IN ADMINISTERING FEDERAL FINANCIAL ASSISTANCE PROGRAMS

Board of Commissioners
HOUSING AUTHORITY OF THE CITY
OF ALEXANDRIA
Alexandria, Louisiana

U. S. Department of Housing and
Urban Development
Housing Management Division
501 Magazine Street, 9th Floor
New Orleans, Louisiana

We have audited the general purpose financial statements of the Housing Authority of the City of Alexandria, Louisiana as of and for the year ended June 30, 1996, and have issued our report thereon dated January 24, 1997. We have also audited the compliance of the Housing Authority of the City of Alexandria with requirements applicable to major federal financial assistance programs and have issued our report thereon dated January 24, 1997.

We conducted our audits in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement and about whether the Housing Authority of the City of Alexandria, Louisiana complied with laws and regulations, noncompliance with which would be material to a major federal financial assistance program.

In planning and performing our audits for the year ended June 30, 1996, we considered the internal control structure of the Housing Authority in order to determine our auditing procedures for the purpose of expressing our opinions on the general purpose financial statements of the Housing Authority of the City of Alexandria, Louisiana and on the compliance of the Housing Authority of the City of Alexandria, Louisiana with requirements applicable to major programs, and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the general purpose financial statements in a separate report dated January 24, 1997.

The management of the Housing Authority of the City of Alexandria, Louisiana, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions

HOUSING AUTHORITY OF THE CITY OF ALEXANDRIA
Alexandria, Louisiana

CAPITAL PROJECT FUNDS
Combining Balance Sheet
June 30, 1996

Schedule 3

	PROJECT LA 23-702	PROJECT LA 23-703	PROJECT LA 23-704	TOTAL
ASSETS				
Receivables	\$ 787	\$ 8,987	\$ 85,090	\$ 94,864
Total assets	\$ 787	\$ 8,987	\$ 85,090	\$ 94,864
LIABILITIES AND EQUITY				
Liabilities:				
Accounts, salaries and other payables	\$ 787	\$ 0	\$ 79,196	\$ 79,983
Interfund payable	0	8,987	5,894	14,881
Total liabilities	\$ 787	\$ 8,987	\$ 85,090	\$ 94,864
Fund Equity - fund balances:				
Undesignated	\$ 0	\$ 0	\$ 0	\$ 0
Total Liabilities and Fund Equity	\$ 787	\$ 8,987	\$ 85,090	\$ 94,864

**HOUSING AUTHORITY OF THE CITY OF ALEXANDRIA
Alexandria, Louisiana**

**SUPPLEMENTAL INFORMATION SCHEDULES
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996**

CAPITAL PROJECTS FUNDS

PROJECT LA 23-702

(Comprehensive Grant Program, CFDA# 14.854)

Project LA 23-702 is a federal (HUD) funded "Comprehensive Grant Program."

PROJECT LA 23-703

(Comprehensive Grant Program, CFDA# 14.854)

Project LA 23-703 is a federal (HUD) funded "Comprehensive Grant Program."

PROJECT LA 23-704

(Comprehensive Grant Program, CFDA# 14.854)

Project LA 23-703 is a federal (HUD) funded "Comprehensive Grant Program."

Schedule 2

<u>MOD REHAB</u> <u>#3</u>	<u>RENTAL</u> <u>VOUCHERS</u>	<u>DOT</u>	<u>DRUG</u> <u>ELIMINATION</u>	<u>TOTAL</u>
\$ 0	\$ 0	19,776	\$ 0	\$ 19,776
1,465	9,274	4,214	0	40,832
0	176	310	0	17,177
<u>107,431</u>	<u>564,600</u>	<u>0</u>	<u>47,401</u>	<u>2,379,305</u>
<u>\$ 108,896</u>	<u>\$ 574,050</u>	<u>\$ 24,300</u>	<u>\$ 47,401</u>	<u>\$ 2,457,090</u>
\$ 8,839	\$ 51,597	\$ 46,588	\$ 0	\$ 246,419
138	883	0	0	3,453
231	1,459	796	0	6,689
25	162	0	0	635
2,973	17,564	6,257	68,871	144,296
96,348	487,767	0	0	2,037,392
0	337	7,942	0	9,236
<u>\$ 108,554</u>	<u>\$ 559,769</u>	<u>\$ 61,583</u>	<u>\$ 68,871</u>	<u>\$ 2,448,120</u>
\$ 342	\$ 14,281	\$(37,283)	\$(21,470)	\$ 8,970
<u>\$ 2,702</u>	<u>\$ 212,970</u>	<u>\$ 356,154</u>	<u>\$ 21,470</u>	<u>\$ 980,848</u>
<u>\$ 3,044</u>	<u>\$ 227,251</u>	<u>\$ 318,871</u>	<u>\$ 0</u>	<u>\$ 989,818</u>

HOUSING AUTHORITY OF THE CITY OF ALEXANDRIA
Alexandria, Louisiana

SUPPLEMENTAL INFORMATION SCHEDULES
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996

AGENCY FUNDS

TENANTS' SECURITY DEPOSITS AGENCY FUND

The activities of the various tenant security deposits accounts are accounted for in the Tenants' Security Deposit Agency Fund. While the accounts are under the supervision of the Housing Authority, they belong to the tenants and are not available for use by the Housing Authority.

**HOUSING AUTHORITY OF THE CITY OF ALEXANDRIA
Alexandria, Louisiana**

**SCHEDULE OF CHANGES IN DEPOSITS DUE OTHERS
Tenants' Security Deposits
For the Year Ended June 30, 1996**

Schedule 6

PROJECT	Balance, Beginning	Additions	Deductions	Balance, Ending
LA 23-1	\$ 6,175	\$ 2,840	\$ 3,010	\$ 6,005
LA 23-2	2,960	480	670	2,770
LA 23-3	19,985	10,810	10,405	20,390
LA 23-4	2,160	900	825	2,235
LA 23-5	5,070	780	1,185	4,665
DOT	<u>675</u>	<u>0</u>	<u>0</u>	<u>675</u>
Total	<u>\$ 37,025</u>	<u>\$ 15,810</u>	<u>\$ 16,095</u>	<u>\$ 36,740</u>

HOUSING AUTHORITY OF THE CITY OF ALEXANDRIA
Alexandria, Louisiana

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Tenants' Security Deposits
June 30, 1996

Schedule 5

	<u>Balance, Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, Ending</u>
ASSETS				
Cash and cash equivalents	\$ <u>37,025</u>	<u>15,810</u>	<u>16,095</u>	\$ <u>36,740</u>
LIABILITIES				
Deposits due others	\$ <u>37,025</u>	<u>15,810</u>	<u>16,095</u>	\$ <u>36,740</u>

HOUSING AUTHORITY OF THE CITY OF ALEXANDRIA
Alexandria, Louisiana

**GENERAL PURPOSE FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996
WITH SUPPLEMENTAL INFORMATION SCHEDULES**

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HOUSING AUTHORITY OF THE CITY OF ALEXANDRIA
Alexandria, Louisiana

GOVERNMENTAL FUNDS - GENERAL FUND
Combined Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget (GAAP Basis) and Actual
For the Year Ended June 30, 1996

Statement C

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Local sources:			
Dwelling rental	\$ 398,500	\$ 440,432	41,932
Interest earnings	11,005	13,624	2,619
Other	58,800	96,242	37,442
Federal sources:			
Operating subsidy	1,013,165	1,013,165	0
Grants	0	3,240	3,240
Total revenues	\$ 1,481,470	\$ 1,566,703	\$ 85,233
EXPENDITURES			
Current:			
Administration	\$ 379,081	\$ 327,843	51,238
Utilities	98,741	97,547	1,194
Ordinary maintenance & operations	371,057	405,496	(34,439)
Protective services	128,160	122,739	5,421
General expenditures	407,662	373,087	34,575
Facilities acquisition and construction	0	2,398	(2,398)
Total expenditures	\$ 1,384,701	\$ 1,329,110	\$ 55,591
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 96,769	\$ 237,593	\$ 140,824
FUND BALANCES AT BEGINNING OF YEAR	178,652	336,223	157,571
FUND BALANCES AT END OF YEAR	\$ 275,421	\$ 573,816	\$ 298,395

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**HOUSING AUTHORITY OF THE CITY OF ALEXANDRIA
Alexandria, Louisiana**

**GENERAL PURPOSE FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996
WITH SUPPLEMENTAL INFORMATION SCHEDULES**

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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
HOUSING AUTHORITY OF THE
CITY OF ALEXANDRIA
Alexandria, Louisiana

U. S. Department of Housing and
Urban Development
Housing Management Division
501 Magazine Street, 9th Floor
New Orleans, Louisiana

We have audited the accompanying general purpose financial statements of the Housing Authority of the City of Alexandria, Louisiana, as of and for the year ended June 30, 1996, as listed in the foregoing table of contents. These general purpose financial statements are the responsibility of the Housing Authority's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States and the provisions of Office of Management and Budget Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Housing Authority of the City of Alexandria, as of June 30, 1996, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying supplemental information schedules listed in the table of contents including the Schedule of Federal Financial Assistance are presented for the purpose of additional analysis and are not a required part of the general purpose financial statements of the Housing Authority of the City of Alexandria. The accompanying supplemental information identified as:

A. Supplemental Information Schedules - Generally Accepted Accounting Principles Basis and including the Schedule of Federal Financial Assistance has been subjected to the procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Board of Commissioners
HOUSING AUTHORITY OF
THE CITY OF ALEXANDRIA
Alexandria, Louisiana

B. Supplemental Information Schedules - HUD Prescribed Format, which is a Statutory Basis of Accounting, has been subjected to the procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued a report dated January 24, 1997 on our consideration of the Housing Authority's internal control structure and a report dated January 24, 1997 on its compliance with laws and regulations.

Allen Green & Robinette

ALLEN, GREEN & ROBINETTE, L.L.P.

Monroe, Louisiana
January 24, 1997

HOUSING AUTHORITY OF THE CITY OF ALEXANDRIA
Alexandria, Louisiana

ALL FUND TYPES AND ACCOUNT GROUPS
Combined Balance Sheet
June 30, 1996

	*****GOVERNMENTAL FUNDS*****		
	GENERAL FUND	SPECIAL REVENUE FUNDS	CAPITAL PROJECT FUNDS
ASSETS AND OTHER DEBITS			
Assets			
Cash and cash equivalents	\$ 580,125	\$ 1,913,448	\$ 0
Receivables	8,899	42,885	94,864
Interfund receivable	85,054	81,923	0
Prepaid items	81,421	19,397	0
Inventory	19,755	0	0
Land, buildings, and equipment	0	0	0
Other debits			
Amount to be provided for retirement of general Long-term obligations	0	0	0
TOTAL ASSETS AND OTHER DEBITS	\$ 775,254	\$ 2,057,653	\$ 94,864
LIABILITIES, EQUITY AND OTHER CREDITS			
Liabilities			
Accounts payables	\$ 22,643	\$ 912,763	\$ 79,983
Interfund payable	0	152,096	14,881
Deposits due others	0	0	0
Accrued Liabilities	101,112	2,956	0
Deferred revenues	77,683	20	0
Compensated absences payable	0	0	0
Notes and bonds payable	0	0	0
Total Liabilities	\$ 201,438	\$ 1,067,835	\$ 94,864
Equity and Other Credits			
Investment in general fixed assets	\$ 0	\$ 0	\$ 0
Fund balances:			
Reserved for prepaid items	81,421	19,397	0
Reserved for inventory	19,755	0	0
Unreserved and undesignated	472,640	970,421	0
Total Equity and Other Credits	\$ 573,816	\$ 989,818	\$ 0
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	\$ 775,254	\$ 2,057,653	\$ 94,864

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Statement A

PROPRIETARY FUND - INTERNAL SERVICE	FIDUCIARY FUNDS - AGENCY FUNDS	*****ACCOUNT GROUPS*****		TOTAL (MEMORANDUM ONLY)
		GENERAL FIXED ASSETS	GENERAL LONG-TERM OBLIGATIONS	
\$ 55,696	\$ 36,740	\$ 0	\$ 0	2,586,009
0	0	0	0	146,648
0	0	0	0	166,977
0	0	0	0	100,818
0	0	0	0	19,755
0	0	34,186,694	0	34,186,694
0	0	0	6,919,556	6,919,556
<u>\$ 55,696</u>	<u>\$ 36,740</u>	<u>\$ 34,186,694</u>	<u>\$ 6,919,556</u>	<u>\$ 44,126,457</u>
\$ 8,785	\$ 0	\$ 0	\$ 0	1,024,174
0	0	0	0	166,977
0	36,740	0	0	36,740
0	0	0	0	104,068
0	0	0	0	77,703
0	0	0	63,097	63,097
0	0	0	6,856,459	6,856,459
<u>\$ 8,785</u>	<u>\$ 36,740</u>	<u>\$ 0</u>	<u>\$ 6,919,556</u>	<u>\$ 8,329,218</u>
\$ 0	\$ 0	34,186,694	\$ 0	34,186,694
0	0	0	0	100,818
0	0	0	0	19,755
46,911	0	0	0	1,489,972
<u>\$ 46,911</u>	<u>\$ 0</u>	<u>\$ 34,186,694</u>	<u>\$ 0</u>	<u>\$ 35,797,239</u>
<u>\$ 55,696</u>	<u>\$ 36,740</u>	<u>\$ 34,186,694</u>	<u>\$ 6,919,556</u>	<u>\$ 44,126,457</u>

HOUSING AUTHORITY OF THE CITY OF ALEXANDRIA
Alexandria, Louisiana

GOVERNMENTAL FUNDS
Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 1996

Statement B

	GENERAL FUND	SPECIAL REVENUE FUNDS	CAPITAL PROJECTS FUND	TOTAL (MEMORANDUM ONLY)
REVENUES				
Local sources:				
Dwelling rental	\$ 440,432	\$ 19,776	\$ 0	\$ 460,208
Interest earnings	13,624	40,832	0	54,456
Other	96,242	17,177	0	113,419
Federal sources:				
Operating subsidy	1,013,165	0	0	1,013,165
Grants	3,240	2,379,305	1,749,552	4,132,097
Total revenues	\$ 1,566,703	\$ 2,457,090	\$ 1,749,552	\$ 5,773,345
EXPENDITURES				
Current:				
Administration	\$ 327,843	\$ 246,419	\$ 0	\$ 574,262
Utilities	97,547	3,453	0	101,000
Ordinary maintenance & operations	405,496	6,689	0	412,185
Protective services	122,739	635	0	123,374
General expenditures	373,087	144,296	0	517,383
Housing assistance payments	0	2,037,392	0	2,037,392
Facilities acquisition and construction	2,398	9,236	1,749,552	1,761,186
Total expenditures	\$ 1,329,110	\$ 2,448,120	\$ 1,749,552	\$ 5,526,782
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 237,593	\$ 8,970	\$ 0	\$ 246,563
FUND BALANCES AT BEGINNING OF YEAR	336,223	980,848	0	1,317,071
FUND BALANCES AT END OF YEAR	\$ 573,816	\$ 989,818	\$ 0	\$ 1,563,634

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

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**HOUSING AUTHORITY OF THE CITY
OF ALEXANDRIA
Alexandria, Louisiana**

**GENERAL PURPOSE FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996
WITH SUPPLEMENTAL INFORMATION SCHEDULES**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date JUN 25 1997

HOUSING AUTHORITY OF THE CITY OF ALEXANDRIA
Alexandria, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996

NOTE 10 - GENERAL LONG-TERM OBLIGATIONS (Continued)

(A) Project Notes - Non HUD are obligations due HUD. The Debt Forgiveness Act of 1985 forgave these notes. The timing of the official cancellation of the remaining notes is unknown. The Housing Authority has not accrued interest on Project Notes -Non HUD since HUD will eventually forgive the principal and interest amounts. Due to the uncertainty of the outcome of these notes, a schedule of maturities is not presented for the Project Notes - Non HUD.

NOTE 11 - INTERFUND RECEIVABLES/PAYABLES

Interfund receivables/payables at June 30, 1996 are as follows:

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 85,054	\$ -
Special Revenue Funds:		
Rental Certificates	-	37,028
Mod Rehab #1	8,993	49,925
Mod Rehab #2	4,158	21,074
Mod Rehab #3	68,772	16,215
Rental Vouchers	-	9,330
DOT	-	1,121
Drug Elimination	-	17,403
Capital Project Funds:		
Project LA 23-703	-	8,987
Project LA 23-704	-	5,894
	<u>\$166,977</u>	<u>\$166,977</u>

NOTE 12 - COMMITMENTS AND CONTINGENCIES

Litigation

At June 30, 1996, the Housing Authority was involved in one threatened litigation. It is the opinion of the legal advisor for the Housing Authority that it would not materially affect the financial statements.

Construction Projects

There are certain major construction projects in progress at June 30, 1996. These include modernizing rental units at practically all of the projects. As approved by HUD, these projects are being funded by HUD. Funds are requested periodically as the cost is incurred.



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Commissioners
HOUSING AUTHORITY OF THE CITY
OF ALEXANDRIA
Alexandria, Louisiana

U. S. Department of Housing and
Urban Development
Housing Management Division
501 Magazine Street, 9th Floor
New Orleans, Louisiana

We have audited the general purpose financial statements of the Housing Authority of the City of Alexandria, Louisiana as of and for the year ended June 30, 1996, and have issued our report thereon dated January 24, 1997.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts and grants applicable to the Housing Authority is the responsibility of the Housing Authority's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Housing Authority's compliance with certain provisions of laws, regulations, contracts and grants. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported herein under Government Auditing Standards. We noted immaterial instances of noncompliance which are described in finding #2 and #6 of the accompanying Schedule of Findings and Questioned Costs.

This report is intended for the information of the Board of Commissioners, management, and the U. S. Department of Housing and Urban Development. However, this report is a matter of public record and its distribution is not limited.

Allen Green & Robinette

ALLEN, GREEN & ROBINETTE, L.L.P.

Monroe, Louisiana
January 24, 1997

Board of Commissioners
HOUSING AUTHORITY OF THE CITY
OF ALEXANDRIA
Alexandria, Louisiana

We noted certain matters described in the accompanying Schedule of Reportable Conditions involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe none of the reportable conditions described above is a material weakness.

This report is intended for the information of the Board of Commissioners, management, and the U. S. Department of Housing and Urban Development. However, this report is a matter of public record and its distribution is not limited.

Allen Green & Robinette

ALLEN, GREEN & ROBINETTE, L.L.P.

Monroe, Louisiana
January 24, 1997



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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Commissioners
HOUSING AUTHORITY OF THE CITY
OF ALEXANDRIA
Alexandria, Louisiana

U. S. Department of Housing and
Urban Development
Housing Management Division
501 Magazine Street, 9th Floor
New Orleans, Louisiana

We have audited the general purpose financial statements of the Housing Authority of the City of Alexandria, Louisiana as of and for the year ended June 30, 1996, and have issued our report thereon dated January 24, 1997.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of the Housing Authority of the City of Alexandria is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgements by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of the Housing Authority of the City of Alexandria for the year ended June 30, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant *policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure.* Accordingly, we do not express such an opinion.

HOUSING AUTHORITY OF THE CITY OF ALEXANDRIA
Alexandria, Louisiana

OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS

The following pages contain reports on internal control structure and compliance required by Government Auditing Standards, issued by the Comptroller General of the United States. The report on internal control structure is based solely on the audit of the basic financial statements and includes, where appropriate, any reportable conditions and/or material weaknesses. The report on compliance is, likewise, based solely on the audit of the basic financial statements and presents, where applicable, compliance matters that would be material to the basic financial statements.

HOUSING AUTHORITY OF THE CITY OF ALEXANDRIA
Alexandria, Louisiana

STATEMENT OF CERTIFICATION OF ACTUAL
MODERNIZATION COMPLETED
June 30, 1996

Schedule C

PHA OWNED HOUSING (ACC FW 1142)

1. The actual modernization costs for the completed modernization program is as follows:

	PROJECT LA 48P023 702Z
Funds approved	\$ 1,318,210
Funds expended	<u>1,318,210</u>
Excess of funds approved	\$ <u>0</u>
Funds advanced	\$ 1,318,210
Funds expended	<u>1,318,229</u>
Excess of funds expended	\$ <u>(19)</u>

2. The distribution of costs as shown on the actual modernization cost certificate dated May 23, 1996 for the above project is in agreement with the PHA's records.
3. All modernization costs have been paid and all related liabilities have been discharged through payment.

**HOUSING AUTHORITY OF THE CITY OF ALEXANDRIA
Alexandria, Louisiana**

**ANALYSIS OF SURPLUS
STATUTORY BASIS
For the Year Ended June 30, 1996**

Schedule B

SECTION 8 - (ACC FW 2069 & 2221)

	RENTAL CERTIFICATES	MOD REHAB #1	MOD REHAB #2	MOD REHAB #3	RENTAL VOUCHERS
PROJECT ACCOUNT UNFUNDED					
BALANCE, BEGINNING	\$ 5,072,544	\$ 38,522	\$ 162,566	\$ 227,666	\$ 2,061,260
Provision for (Reduction of) Project Account Unfunded	<u>948,751</u>	<u>22,489</u>	<u>36,901</u>	<u>28,229</u>	<u>(661,281)</u>
BALANCE, ENDING	<u>\$ 6,021,296</u>	<u>\$ 61,011</u>	<u>\$ 199,467</u>	<u>\$ 255,895</u>	<u>\$ 1,399,979</u>
CUMULATIVE HUD CONTRIBUTION					
BALANCE, BEGINNING	\$ 18,795,866	\$ 1,134,867	\$ 693,322	\$ 1,445,474	\$ 4,529,083
Annual Contribution Earned Section 8	<u>1,539,463</u>	<u>80,271</u>	<u>40,139</u>	<u>107,431</u>	<u>564,600</u>
BALANCE, ENDING	<u>\$ 20,335,329</u>	<u>\$ 1,215,138</u>	<u>\$ 733,461</u>	<u>\$ 1,552,905</u>	<u>\$ 5,093,683</u>
TOTAL SURPLUS	<u>\$ 493,967</u>	<u>\$ (3,084)</u>	<u>\$ 6,979</u>	<u>\$ 11,680</u>	<u>\$ 235,046</u>

(CONCLUDED)

HOUSING AUTHORITY OF THE CITY OF ALEXANDRIA
Alexandria, Louisiana

ANALYSIS OF SURPLUS
STATUTORY BASIS
For the Year Ended June 30, 1996

Schedule B

SECTION 8 - (ACC FW 2069 & 2221)

	RENTAL CERTIFICATES	MOD REHAB #1	MOD REHAB #2	MOD REHAB #3	RENTAL VOUCHERS
UNRESERVED SURPLUS					
Balance Per Prior Audit	\$ (23,767,906)	\$ (1,178,671)	\$ (853,742)	\$ (1,664,299)	\$ (6,513,161)
NET LOSS	(1,486,098)	(80,066)	(39,653)	(107,089)	(549,983)
Audit adjustment to operating reserve	(44,405)	7,558	(1,766)	241	(68,956)
(Provision for) Reduction of:					
Operating reserve	(52,949)	54	(458)	(734)	(15,669)
Project account	<u>(948,751)</u>	<u>(22,489)</u>	<u>(36,901)</u>	<u>(28,229)</u>	<u>661,281</u>
BALANCE, ENDING	<u>\$ (26,300,109)</u>	<u>\$ (1,273,614)</u>	<u>\$ (932,520)</u>	<u>\$ (1,800,110)</u>	<u>\$ (6,486,488)</u>
OPERATING RESERVE					
BALANCE, BEGINNING	\$ 340,098	\$ 1,993	\$ 4,347	\$ 2,497	\$ 143,247
Audit adjustment to beginning balance of operation reserve	44,405	(7,558)	1,766	(241)	68,956
Provision for (Reduction of) Operating Reserve	52,949	(54)	458	734	15,669
Cash redeposit (withdrawal)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
BALANCE, ENDING	<u>\$ 437,452</u>	<u>\$ (5,619)</u>	<u>\$ 6,571</u>	<u>\$ 2,990</u>	<u>\$ 227,872</u>

(CONTINUED)

HOUSING AUTHORITY OF THE CITY OF ALEXANDRIA
Alexandria, Louisiana

ANALYSIS OF SURPLUS
STATUTORY BASIS
June 30, 1996

Schedule A

(CONTINUED)

PHA OWNED HOUSING (ACC 1142)

CUMULATIVE HUD CONTRIBUTION

BALANCE, BEGINNING	\$ 35,174,819
Adjustment to annual contribution receivable	(1,013,165)
Operating subsidy	<u>1,013,165</u>
BALANCE, ENDING	<u>\$ 35,174,819</u>

CUMULATIVE HUD GRANTS

BALANCE, BEGINNING	\$ 11,065,731
HUD Modernization Grants	<u>1,825,645</u>
BALANCE, ENDING	<u>\$ 12,891,376</u>

CUMULATIVE DONATIONS

BALANCE, BEGINNING	\$ 10,004,783
Additions	<u>0</u>
BALANCE, ENDING	<u>\$ 10,004,783</u>

TOTAL SURPLUS

\$ 25,223,289

(CONCLUDED)

HOUSING AUTHORITY OF THE CITY OF ALEXANDRIA
Alexandria, Louisiana

**OTHER REPORTS REQUIRED BY
OFFICE OF MANAGEMENT AND BUDGET (OMB) CIRCULAR A-128**

The following pages contain information on internal control and compliance required by OMB Circular A-128. The report on internal accounting and administrative controls relates to matters that would be significant and/or material to federal financial assistance programs. The report on compliance is, likewise, related to tests of compliance relating to federal financial assistance programs.

HOUSING AUTHORITY OF THE CITY OF ALEXANDRIA
Alexandria, Louisiana

SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 1996

	RENTAL CERTIFICATES	MOD REHAB #1	MOD REHAB #2
REVENUES			
Local sources:			
Dwelling rental	\$ 0	\$ 0	\$ 0
Interest earnings	23,974	1,189	716
Other	16,471	220	0
Federal sources:			
Grants	1,539,463	80,271	40,139
TOTAL REVENUES	\$ 1,579,908	\$ 81,680	\$ 40,855
EXPENDITURES			
Current:			
Administration	\$ 128,745	\$ 6,892	\$ 3,758
Utilities	2,248	114	70
Ordinary maintenance & operations	3,913	175	115
Protective services	416	20	12
General expenditures	45,043	2,280	1,308
Housing assistance payments	1,346,177	71,994	35,106
Facilities acquisition and construction	890	40	27
TOTAL EXPENDITURES	\$ 1,527,432	\$ 81,515	\$ 40,396
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 52,476	\$ 165	\$ 459
FUND BALANCES (Deficit) AT BEGINNING OF YEAR	\$ 387,004	\$ (5,564)	\$ 6,112
FUND BALANCES (Deficit) AT END OF YEAR	\$ 439,480	\$ (5,399)	\$ 6,571

HOUSING AUTHORITY OF THE CITY OF ALEXANDRIA
Alexandria, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996

NOTE 3 - DEPOSITS AND INVESTMENTS

Deposits and investments of the primary government are stated at cost, which approximates market. Under state law, deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At year-end, the Housing Authority's carrying amount of deposits was \$2,586,009 and the bank balance was \$2,665,848. Of the bank balance, \$462,331 was covered by federal depository insurance or by collateral held by the Housing Authority's agent in the Housing Authority's name (GASB Category 1). The remaining balance, \$2,203,517 was collateralized with securities held by the pledging financial institution's trust department or agent but not in the Housing Authority's name (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Housing Authority that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 4 - RECEIVABLES

The receivables of \$146,648 at June 30, 1996, are as follows:

<u>Class of Receivables</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Capital Project Funds</u>	<u>Total</u>
Local sources:				
Tenants	\$8,899	\$11,236	\$ -	\$ 20,135
Federal sources:				
Due from HUD	-	<u>31,649</u>	<u>94,864</u>	<u>126,513</u>
Total	<u>\$8,899</u>	<u>\$42,885</u>	<u>\$94,864</u>	<u>\$146,648</u>

HOUSING AUTHORITY OF THE CITY OF ALEXANDRIA
Alexandria, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996

NOTE 8 - COMPENSATED ABSENCES

At June 30, 1996, employees of the Housing Authority have accumulated and vested \$63,097 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. This amount is not expected to be paid from current available resources; therefore the liability of \$63,097 is recorded within the general long-term obligations account group.

NOTE 9 - CHANGES IN AGENCY FUND DEPOSITS DUE OTHERS

	<u>Balance</u> <u>July 1, 1995</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 1996</u>
Agency funds:				
Tenants Security Deposits	<u>\$37,025</u>	<u>\$15,810</u>	<u>\$16,095</u>	<u>\$36,740</u>

NOTE 10 - GENERAL LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions for the year ended June 30, 1996:

	<u>Compensated</u> <u>Absences</u>	<u>Notes</u>	<u>Total</u>
Balance, July 1, 1995	\$57,514	\$6,856,459	\$6,913,973
Additions	8,072	-	8,072
Deductions	<u>2,489</u>	<u>-</u>	<u>2,489</u>
Balance, June 30, 1996	<u>\$63,097</u>	<u>\$6,856,459</u>	<u>\$6,919,556</u>

Notes payable consists of the following at June 30, 1996:

	<u>Principal</u> <u>Outstanding</u> <u>June 30, 1996</u>
PHA notes held by HUD (A)	
LA 23-1	\$ 190,313
LA 23-2	111,943
LA 23-903	965,131
LA 23-904	98,640
LA 23-4	1,697,802
LA 23-5	<u>3,792,630</u>
Total	<u>\$ 6,856,459</u>

HOUSING AUTHORITY OF THE CITY OF ALEXANDRIA
Alexandria, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996

NOTE 5 - FIXED ASSETS

The changes in general fixed assets are as follows:

	Balance <u>July 1, 1995</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 1996</u>
Land	\$ 677,682	\$ -	\$ -	\$ 677,682
Buildings and Improvements	28,932,438	143,729	-	29,076,167
Furniture and equipment	798,531	63,661	196,748	665,444
Construction in progress	<u>1,826,604</u>	<u>1,940,797</u>	-	<u>3,767,401</u>
Total	<u>\$32,235,255</u>	<u>\$2,148,187</u>	<u>\$196,748</u>	<u>\$34,186,694</u>

NOTE 6 - RETIREMENT SYSTEM

The Housing Authority provides pension benefits for all of its full-time employees through a defined contribution plan. All regular and full-time employees are eligible to participate in the plan on the first day of the month after completing one year of continuous and uninterrupted employment.

Under a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The employer is required to make monthly contributions equal to 7.0 percent of each participant's basic (excludes overtime) compensation.

The Housing Authority's contribution for each employee and income allocated to the employee's account are fully vested after five years of continuous service. Housing Authority's contributions and interest forfeited by employees who leave employment before five years of service are used to offset future contributions of the Housing Authority.

The Housing Authority's total payroll for year ended June 30, 1996 was \$712,836. The Housing Authority's contributions were calculated using the base salary amount of \$302,050. Both the Housing Authority and the covered employees made the required contributions of \$36,246 for the year ended June 30, 1996.

NOTE 7 - ACCOUNTS PAYABLE

The payables of \$1,024,174 at June 30, 1996, are as follows:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Capital Project Fund</u>	<u>Proprietary Fund-Internal Service</u>	<u>Total</u>
Vendors	\$22,643	\$ 23,145	\$79,983	\$8,785	\$ 134,556
Due to Other Governments					
Payable to HUD	<u>-</u>	<u>889,618</u>	<u>-</u>	<u>-</u>	<u>889,618</u>
Total	<u>\$22,643</u>	<u>\$912,763</u>	<u>\$79,983</u>	<u>\$8,785</u>	<u>\$1,024,174</u>

HOUSING AUTHORITY OF THE CITY OF ALEXANDRIA
Alexandria, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. ADOPTION OF GASB PRONOUNCEMENTS

In September 1993, GASB issued Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting" (GASB 20), which discusses the application of authoritative accounting pronouncements for proprietary accounting and other funds that use proprietary accounting.

The Housing Authority was required to adopt GASB 20 in fiscal year 1995. GASB 20 allows the Housing Authority to elect to apply all Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements, or to apply all GASB pronouncements and only FASB pronouncements issued before November 30, 1989. The Housing Authority has elected to apply all GASB pronouncements and only FASB pronouncements issued before November 30, 1989.

R. NEW APPLICABLE GASB PRONOUNCEMENTS

In November 1994, the GASB issued Statement No. 27, "Accounting for Pensions by State and Local Governmental Employers" (GASB 27). GASB 27 prescribes changes in pension accounting and disclosure requirements for employers participating in single employer/agent multiple defined benefit plans, cost sharing multiple employer defined benefit plans, and defined contribution plans. The Housing Authority sponsors a multiple-employer defined contribution plan which has some characteristics of a defined benefit pension plan. GASB 27 is effective for fiscal years beginning after June 15, 1997. The Housing Authority has not yet determined when GASB 27 will be adopted or determined the effects of adoption.

NOTE 2 - FUND DEFICITS

The following individual fund had a deficit in unreserved fund balance at June 30, 1996:

<u>Fund</u>	<u>Deficit Amount</u>
Special Revenue Fund: MOD Rehab #1	<u>\$5,399</u>

The deficit in the above fund will be cleared by receipt of federal grants.

HOUSING AUTHORITY OF THE CITY OF ALEXANDRIA
Alexandria, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. COMPENSATED ABSENCES

The Housing Authority follows Louisiana Civil Service regulations for accumulated annual and sick leave. Employees may accumulate up to three hundred hours of annual leave which may be received upon termination or retirement. Sick leave hours accumulate, but the employee is not paid for them if not used by his/her retirement or termination date.

The cost of current leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current-year expenditure in the governmental funds when leave is actually taken or when employees (or heirs) are paid for accrued leave upon retirement or death, while the cost of leave privileges not requiring current resources is recorded in the general long-term obligations account group.

M. LONG-TERM OBLIGATIONS

Long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due. Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate funds.

N. FUND EQUITY

Reservations represent those portions of fund balance that are not appropriable for expenditures or legally segregated for a specific future use.

O. INTERFUND TRANSACTIONS

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

P. MEMORANDUM ONLY - TOTAL COLUMNS

The total columns on the general purpose financial statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in accordance with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

HOUSING AUTHORITY OF THE CITY OF ALEXANDRIA
Alexandria, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. CASH AND CASH EQUIVALENTS (Continued)

Under state law, the Housing Authority may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

G. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

H. INVENTORY

All purchased inventory items are valued at cost using first-in, first-out method. Purchased inventories are offset by a fund balance reserve which indicates that these do not constitute "available spendable resources", even though they are a component of total assets. Acquisition of materials and supplies are accounted for on the consumption method, that is, the expenditures are charged when the items are consumed.

I. PREPAID ITEMS

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Prepaid items consist of prepaid insurance.

J. FIXED ASSETS

Fixed assets of governmental funds are recorded as expenditures at the time they are purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Public domain or infrastructures such as sidewalks and parking lots are capitalized. Interest expense during construction is capitalized. Assets in the general fixed assets account group are not depreciated.

K. DEFERRED REVENUES

The Housing Authority reports deferred revenues on its combined balance sheet. Deferred revenues arise when resources are received by the Housing Authority before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when the Housing Authority has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and the revenue is recognized.

HOUSING AUTHORITY OF THE CITY OF ALEXANDRIA
Alexandria, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. BUDGETS

The following summarizes the budget activities of the Housing Authority during the year ended June 30, 1996:

State statute requires that budgets be adopted for the general fund and all special revenue funds. A budget was not adopted for the DOT special revenue fund which is a violation of state statute.

The Housing Authority adopted budgets for the general fund, the special revenue funds (excluding the DOT Fund), and the capital project funds. The capital project funds budget to actual comparison has not been included since the capital project is a multiple-year endeavor. The Drug Elimination fund budget is a multiple-year endeavor and also is not included.

The budgets are prepared on the modified accrual basis of accounting. All appropriations lapse at year end.

Encumbrances are not recognized within the accounting records for budgetary control purposes.

Formal budget integration (within the accounting records) is employed as a management control device.

The Executive Director is authorized to transfer amounts between line items within any fund, provided such does not change the total of any function. However, when actual revenues within a fund fail to meet budgeted revenues by five percent or more and/or actual expenditures within a fund exceed budgeted expenditures by five percent or more, a budget amendment is adopted by the Housing Authority in an open meeting as required by Louisiana Revised Statute. Budget amounts included in the accompanying financial statements are the original adopted budgets. No amendments were made during the year.

HUD approves all budgets adopted by the Housing Authority.

E. ENCUMBRANCES

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed. However, outstanding purchase orders are taken into consideration before expenditures are incurred in order to assure that applicable appropriations are not exceeded. In addition, the monthly budget reports are reviewed to ensure compliance with the budget, and where necessary, revisions to the budget are made.

F. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in time deposits and cash with fiscal agent. Under state law, the Housing Authority may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

HOUSING AUTHORITY OF THE CITY OF ALEXANDRIA
Alexandria, Louisiana

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Board of Commissioners
HOUSING AUTHORITY OF THE CITY
OF ALEXANDRIA
Alexandria, Louisiana

provisions; and claims for advances and reimbursements that are applicable to each of its major federal financial assistance programs for the year ended June 30, 1996.

This report is intended for the information of the Board of Commissioners, management, and the U. S. Department of Housing and Urban Development. However, this report is a matter of public record and its distribution is not limited.

Allen Green & Robinette

ALLEN, GREEN & ROBINETTE, L.L.P.

Monroe, Louisiana
January 24, 1997

Schedule 1

MOD REHAB #3	RENTAL VOUCHERS	DOT	DRUG ELIMINATION	TOTAL
\$ 0	\$ 478,456	\$ 318,431	\$ 0	1,913,448
1,562	1,147	0	27,019	42,885
68,772	0	0	0	81,923
732	3,799	4,207	0	19,397
<u>\$ 71,066</u>	<u>\$ 483,402</u>	<u>\$ 322,638</u>	<u>\$ 27,019</u>	<u>2,057,653</u>
\$ 51,664	\$ 246,068	\$ 2,610	\$ 9,616	912,763
16,215	9,330	1,121	17,403	152,096
123	753	36	0	2,956
20	0	0	0	20
<u>\$ 68,022</u>	<u>\$ 256,151</u>	<u>\$ 3,767</u>	<u>\$ 27,019</u>	<u>1,067,835</u>
\$ 732	\$ 3,799	\$ 4,207	\$ 0	19,397
2,312	223,452	314,664	0	970,421
<u>\$ 3,044</u>	<u>\$ 227,251</u>	<u>\$ 318,871</u>	<u>\$ 0</u>	<u>989,818</u>
<u>\$ 71,066</u>	<u>\$ 483,402</u>	<u>\$ 322,638</u>	<u>\$ 27,019</u>	<u>2,057,653</u>

**HOUSING AUTHORITY OF THE CITY OF ALEXANDRIA
Alexandria, Louisiana**

**ANALYSIS OF SURPLUS
STATUTORY BASIS
June 30, 1996**

Schedule A

PHA OWNED HOUSING (ACC 1142)

UNRESERVED SURPLUS

BALANCE, BEGINNING	\$ (32,357,634)
NET LOSS	
PHA Owned Housing	(776,413)
Drug Elimination Grant	(68,871)
Audit adjustment to operating reserve	(1,150)
(Provision for) Reduction of: Operating reserve	
PHA Owned Housing	(245,390)
Drug Elimination Grant	<u>21,470</u>
BALANCE, ENDING	<u>\$ (33,427,988)</u>

OPERATING RESERVE

BALANCE, BEGINNING	\$ 333,758
Audit adjustment to operating reserve	1,150
Provision for (Reduction of) Operating Reserve	<u>245,390</u>
BALANCE, ENDING	<u>\$ 580,299</u>

OPERATING RESERVE - DRUG ELIMINATION GRANT

BALANCE, BEGINNING	\$ 21,470
Provision for (Reduction of) Operating Reserve	<u>(21,470)</u>
BALANCE, ENDING	<u>\$ 0</u>

HOUSING AUTHORITY OF THE CITY OF ALEXANDRIA
Alexandria, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996

1. Federal Financial Reports
(Public and Indian Housing, CFDA #14.850)

CONDITION: As part of testing compliance with the general requirement for financial reporting we tested the HUD financial statements by tracing line items to the general ledger. One account with a credit balance on the general ledger was entered as a debit balance on the financial statement resulting in an understatement of the provision for operating reserve.

REASON IMPROVEMENT NEEDED: To ensure HUD financial statements are filed accurately in compliance with HUD regulations.

CAUSE OF CONDITION: Prior year adjustments credit balance account was reported with a debit balance.

EFFECT OF CONDITION: Provision for operating reserve was understated by \$79,946.

RECOMMENDATION: We recommend the HUD financial statement for June 30, 1996 be amended and filed.

MANAGEMENT'S RESPONSE: We will comply with the auditors' recommendation.

2. Late Filing of Audit Report

CONDITION: The Louisiana Legislative Auditor requires audit reports to be filed within six months of the year-end of the governments. The audit report as of and for the year ended June 30, 1996 was filed after the deadline.

REASON IMPROVEMENT NEEDED: To comply with state regulations.

CAUSE OF CONDITION: An unexpected work load and staff shortage of the auditor in the fourth quarter of 1996.

EFFECT OF CONDITION: Violation of state regulation.

RECOMMENDATION: Future audit reports should be filed within six months of year-end.

MANAGEMENT'S RESPONSE: We will monitor the auditors' progress to ensure audit reports are filed timely.

Board of Commissioners
HOUSING AUTHORITY OF THE CITY
OF ALEXANDRIA
Alexandria, Louisiana

are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

Accounting controls:

1. Cash
2. Expenditures for goods and accounts payable
3. Payroll and related liabilities
4. Property and equipment
5. Single audit and similar grant programs

Administrative controls:

- | | |
|------------------------------------|--|
| 1. Political activity | 8. Administrative requirements |
| 2. Davis-Bacon Act compliance | 9. Eligibility |
| 3. Civil rights | 10. Types of services |
| 4. Cash management | 11. Reporting |
| 5. Federal financial reports | 12. Special provisions |
| 6. Allowable costs/cost principles | 13. Claims for advances and reimbursements |
| 7. Drug-Free Workplace Act | |

For all the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended June 30, 1996, the Housing Authority of the City of Alexandria, Louisiana expended 94% of its total federal financial assistance under major federal financial assistance programs.

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements that are applicable to each of the Housing Authority of the City of Alexandria, Louisiana's major federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.



ALLEN, GREEN & ROBINETTE, L.L.P.

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ERNEST L. ALLEN, CPA
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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH THE GENERAL REQUIREMENTS APPLICABLE TO FEDERAL FINANCIAL ASSISTANCE PROGRAMS

Board of Commissioners
HOUSING AUTHORITY OF THE CITY
OF ALEXANDRIA
Alexandria, Louisiana

U. S. Department of Housing and
Urban Development
Housing Management Division
501 Magazine Street, 9th Floor
New Orleans, Louisiana

We have audited the general purpose financial statements of the Housing Authority of the City of Alexandria, Louisiana, as of and for the year ended June 30, 1996 and have issued our report thereon dated January 24, 1997.

We have applied procedures to test the Housing Authority of the City of Alexandria, Louisiana's compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the Schedule of Federal Financial Assistance, for the year ended June 30, 1996: political activity, Davis-Bacon Act, civil rights, cash management, federal financial reports, allowable costs/ cost principles, Drug-free Workplace Act and administrative requirements.

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's "*Compliance Supplement for Single Audits of State and Local Governments*." Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Housing Authority of the City of Alexandria, Louisiana's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the Housing Authority of the City of Alexandria, Louisiana had not complied, in all material respects, with those requirements. However, the results of our procedures disclosed immaterial instances of noncompliance with those requirements, which are described in Findings #1 and #3 of the accompanying Schedule of Findings and Questioned Costs.

This report is intended for the information of the Board of Commissioners, management, and the U. S. Department of Housing and Urban Development. However, this report is a matter of public record and its distribution is not limited.

Allen Green & Robinette

ALLEN, GREEN & ROBINETTE, L.L.P.

Monroe, Louisiana
January 24, 1997

Board of Commissioners
HOUSING AUTHORITY OF THE CITY
OF ALEXANDRIA
Alexandria, Louisiana

We noted certain matters described in the accompanying Schedule of Reportable Conditions involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the Housing Authority of the City of Alexandria, Louisiana's ability to administer federal financial assistance programs in accordance with applicable laws and regulations.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure policies and procedures used in administering federal financial assistance would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe none of the reportable conditions described above is a material weakness.

This report is intended for the information of the Board of Commissioners, management, and the U. S. Department of Housing and Urban Development. However, this letter is a matter of public record and its distribution is not limited.

Allen Green & Robinette

ALLEN, GREEN & ROBINETTE, L.L.P.

Monroe, Louisiana
January 24, 1997



ALLEN, GREEN & ROBINETTE, L.L.P.

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO MAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAMS

Board of Commissioners
HOUSING AUTHORITY OF THE CITY
OF ALEXANDRIA
Alexandria, Louisiana

U. S. Department of Housing and
Urban Development
Housing Management Division
501 Magazine Street, 9th Floor
New Orleans, Louisiana

We have audited the general purpose financial statements of the Housing Authority of the City of Alexandria, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated January 24, 1997.

We have also audited the Housing Authority of the City of Alexandria, Louisiana's compliance with the requirements governing types of services allowed or unallowed; eligibility; reporting; special tests and provisions and claims for advances and reimbursements that are applicable to each of its major federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance, for the year ended June 30, 1996. The management of the Housing Authority of the City of Alexandria, Louisiana, is responsible for the Housing Authority's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit of compliance with those requirements in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-128, "*Audits of State and Local Governments*." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the Housing Authority of the City of Alexandria, Louisiana's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedure disclosed immaterial instances of noncompliance with the requirements referred to above, which are described in findings #1, #3, #4 and #5 of the accompanying Schedule of Findings and Questioned Costs. We considered these instances of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

In our opinion, the Housing Authority of the City of Alexandria, Louisiana, complied, in all material respects, with the requirements governing types of services allowed or unallowed; eligibility; reporting; special tests and

**HOUSING AUTHORITY OF THE CITY OF ALEXANDRIA
Alexandria, Louisiana**

**STATUS OF PRIOR AUDIT REPORTABLE CONDITIONS
JUNE 30, 1996**

1. No Supervisor Signature on Security Officers' Time Sheets

This finding has been resolved.

HOUSING AUTHORITY OF THE CITY OF ALEXANDRIA
Alexandria, Louisiana

SCHEDULE OF REPORTABLE CONDITIONS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996

1. Separation of Duties
(All Programs)

CONDITION: One employee prepares checks, runs the checks through the check-signing machine and prepares the bank reconciliations. In accordance with Housing Authority policy, checks over \$2,500 are manually signed by the Executive Director and a Board Member but checks under \$2,500 may be run through the check-signing machine.

REASON IMPROVEMENT NEEDED: Two people involved in the disbursements cycle strengthens internal control by providing some separation of duties. The person reconciling the bank statements should not have access to the check-signing machine.

CAUSE OF CONDITION: The Housing Authority has a small accounting staff.

EFFECT OF CONDITION: Little separation of duties over cash disbursements under \$2,500.

RECOMMENDATION: Someone outside the check preparation and disbursement process should run the checks through the check-signing machine and be responsible for keys to the machine.

MANAGEMENT'S RESPONSE: We will comply with the auditors' recommendation.

2. No Log Maintained for Check-Signing Machine
(All Programs)

CONDITION: In accordance with Housing Authority policy, checks under \$2,500 may be signed by use of the check-signing machine. No log is maintained for the checks run through the check-signing machine.

REASON IMPROVEMENT NEEDED: To strengthen controls over the check-signing process.

CAUSE OF CONDITION: Procedure has not been implemented in the past.

EFFECT OF CONDITION: No record exists of checks signed using the check-signing machine.

RECOMMENDATION: A log should be maintained for the check-signing machine which includes the date, the beginning and ending check numbers, and the initial of the person using the machine.

MANAGEMENT'S RESPONSE: We will comply with the auditors' recommendation.

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HOUSING AUTHORITY OF THE CITY OF ALEXANDRIA
Alexandria, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996

1. Federal Financial Reports
(Public and Indian Housing, CFDA #14.850)

CONDITION: As part of testing compliance with the general requirement for financial reporting we tested the HUD financial statements by tracing line items to the general ledger. One account with a credit balance on the general ledger was entered as a debit balance on the financial statement resulting in an understatement of the provision for operating reserve.

REASON IMPROVEMENT NEEDED: To ensure HUD financial statements are filed accurately in compliance with HUD regulations.

CAUSE OF CONDITION: Prior year adjustments credit balance account was reported with a debit balance.

EFFECT OF CONDITION: Provision for operating reserve was understated by \$79,946.

RECOMMENDATION: We recommend the HUD financial statement for June 30, 1996 be amended and filed.

MANAGEMENT'S RESPONSE: We will comply with the auditors' recommendation.

2. Late Filing of Audit Report

CONDITION: The Louisiana Legislative Auditor requires audit reports to be filed within six months of the year-end of the governments. The audit report as of and for the year ended June 30, 1996 was filed after the deadline.

REASON IMPROVEMENT NEEDED: To comply with state regulations.

CAUSE OF CONDITION: An unexpected work load and staff shortage of the auditor in the fourth quarter of 1996.

EFFECT OF CONDITION: Violation of state regulation.

RECOMMENDATION: Future audit reports should be filed within six months of year-end.

MANAGEMENT'S RESPONSE: We will monitor the auditors' progress to ensure audit reports are filed timely.

HOUSING AUTHORITY OF THE CITY OF ALEXANDRIA
Alexandria, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996

3. Cash Management - Section 8

(Section 8 Rental Certificate Program, CFDA #14.857)
(Section 8 Moderate Rehabilitation Program, CFDA #14.856)
(Section 8 Rental Voucher Program, CFDA #14.855)

CONDITION: The year end settlement on the Section 8 Programs revealed the following overpayments by HUD:

Section 8 Rental Certificate Program	\$495,686
Section 8 Moderate Rehabilitation Program	86,907
Section 8 Rental Voucher Program	<u>232,193</u>
Total amount over requested for Section 8	<u>\$814,786</u>

To be in compliance with the general federal requirement regarding cash management "recipients must have procedures in place to reduce the time between receipt and use of funds." The above overpayments reflect four months of operations for rental certificates, four months for moderate rehabilitation, and five months of operations for rental vouchers.

REASON IMPROVEMENT NEEDED: The system for requesting federal funds should be adequate to keep federal cash disbursements limited to the governmental unit's immediate needs.

CAUSE OF CONDITION: Unknown.

EFFECT OF CONDITION: The Housing Authority had \$814,786 in excess federal funds at June 30, 1996.

RECOMMENDATION: We recommend a revised Requisition for Partial Payment of Annual Contributions be filed if the Housing Authority determines federal funds requested will substantially exceed funds expended.

MANAGEMENT'S RESPONSE: We will comply with the auditors' recommendation.

4. Tenant Files

(Public and Indian Housing, CFDA #14.850)

CONDITION: Out of 15 tenant files selected for testing, the following were found:

1. One instance of no documentation to support tenant's dependents' birth dates for HUD Form 50058
2. One instance of no recertification process performed for the 1995-96 year.

REASON IMPROVEMENT NEEDED: To ensure the information required on HUD Form 50058 is correct and all required information is obtained from the tenants.

CAUSE OF CONDITION: Unknown.

**HOUSING AUTHORITY OF THE CITY OF ALEXANDRIA
Alexandria, Louisiana**

**SUPPLEMENTAL INFORMATION SCHEDULES
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996**

SPECIAL REVENUE FUNDS

DOT - DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT

This fund originated from the displacement of homes caused by the construction of Interstate 49. The fund consists of rental income and expenses of approximately twenty single family rental units scattered throughout Rapides Parish. The fund also accounts for proceeds from the sale of rental units.

DRUG ELIMINATION

(Public and Indian Housing Drug Elimination Program, CFDA #14,854)

The purposes of the Public Housing Drug Elimination Program are to: (a) eliminate drug-related crime in and around the real property comprising public housing projects; (b) encourage Public Housing Agencies (PHAs) and Indian Housing Authorities (IHAs) to develop a plan that includes initiatives that can be sustained over a period of several years for addressing the problem of drug-related crime in and around the premises of the Public and Indian housing projects proposed for funding under this part, and; (c) make available federal grants to help PHAs and IHAs carry out their plans.

Grant funds may be used for the following activities designed to reduce drug-related crime: (1) employment of security personnel; (2) reimbursement of local law enforcement agencies for additional security and protective services; (3) physical improvements designed to enhance security; (4) the employment of one or more individuals to investigate drug-related crime; (5) training, communications equipment, and other related equipment; (6) programs designed to reduce use of drugs in and around Public and Indian housing projects, including drug prevention, intervention, referral, and treatment programs, and; (7) providing funding to develop security and drug abuse prevention programs involving site residents.

HOUSING AUTHORITY OF THE CITY OF ALEXANDRIA
Alexandria, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996

6. Budget Adoption (Continued)

REASON IMPROVEMENT NEEDED: Louisiana Statutes Annotated - Revised Statute (LSA-RS) 39:1301 requires annual financial budgets be adopted by governmental entities for the general fund and all special revenue funds. The DOT fund is a special revenue fund.

CAUSE OF CONDITION: The Housing Authority adopts budgets for all HUD programs. The DOT program is the only non-HUD program operated by the Housing Authority. The Housing Authority was unaware that a budget was required for the DOT fund.

EFFECT OF CONDITION: The Housing Authority is in violation of LSA-RS 39:1301.

RECOMMENDATION: The Housing Authority should adopt annually a budget for the DOT fund in order to comply with LSA-RS 39:1301.

MANAGEMENT'S RESPONSE: We will comply with the auditors' recommendation.

HOUSING AUTHORITY OF THE CITY OF ALEXANDRIA
Alexandria, Louisiana

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996

NOTE 14 - BUDGET TO ACTUAL RECONCILIATION

The Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual for the Special Revenue Funds does not include the DOT fund or the Drug Elimination fund. A budget was not adopted for the DOT fund and the budget for the Drug Elimination fund is a multiple year budget. Following is a reconciliation in summary form of the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances (Statement B) to the Combined Statement of Revenues, Expenditures, and changes in Fund Balances - Budget (GAAP Basis) and Actual (Statement D) for the year ended June 30, 1996:

	<u>Statement D</u> <u>Special Revenue</u> <u>Funds</u>	<u>Add:</u> <u>DOT Fund</u>	<u>Add: Drug</u> <u>Elimination</u> <u>Fund</u>	<u>Total</u> <u>Statement B</u>
Total revenues	\$2,385,389	\$ 24,300	\$ 47,401	\$2,457,090
Total expenditures	<u>2,317,666</u>	<u>61,583</u>	<u>68,871</u>	<u>2,448,120</u>
Excess (deficiency) of revenues over expenditures	67,723	(37,283)	(21,470)	8,970
Fund balances at beginning of year	<u>603,224</u>	<u>356,154</u>	<u>21,470</u>	<u>980,848</u>
Fund balances at end of year	<u>\$ 670,947</u>	<u>\$ 318,871</u>	<u>\$ -</u>	<u>\$ 989,818</u>

HOUSING AUTHORITY OF THE CITY OF ALEXANDRIA
Alexandria, Louisiana

SUPPLEMENTAL INFORMATION SCHEDULES -
GENERALLY ACCEPTED ACCOUNTING PRINCIPLES BASIS

HOUSING AUTHORITY OF THE CITY OF ALEXANDRIA
 Alexandria, Louisiana

SPECIAL REVENUE FUNDS
 Combining Balance Sheet
 June 30, 1996

	RENTAL CERTIFICATES	MOD REHAB #1	MOD REHAB #2
ASSETS			
Cash and cash equivalents	\$ 993,359	\$ 62,292	\$ 60,910
Receivables	10,615	2,542	0
Interfund receivable	0	8,993	4,158
Prepaid items	9,683	651	325
TOTAL ASSETS	\$ 1,013,657	\$ 74,478	\$ 65,393
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts payables	\$ 535,280	\$ 29,835	\$ 37,690
Interfund payable	37,028	49,925	21,074
Accrued liabilities	1,869	117	58
Deferred revenues	0	0	0
Total Liabilities	\$ 574,177	\$ 79,877	\$ 58,822
Fund equity			
Fund balances:			
Reserved for prepaid items	\$ 9,683	\$ 651	\$ 325
Unreserved-undesignated	429,797	(6,050)	6,246
Total Equity	\$ 439,480	\$ (5,399)	\$ 6,571
TOTAL LIABILITIES AND FUND EQUITY	\$ 1,013,657	\$ 74,478	\$ 65,393

HOUSING AUTHORITY OF THE CITY OF ALEXANDRIA
Alexandria, Louisiana

SUPPLEMENTAL INFORMATION SCHEDULES
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996

SPECIAL REVENUE FUNDS

RENTAL CERTIFICATES

(Section 8 - Rental Certificates, CFDA #14.857)

Provides housing assistance payments to participating owners on behalf of eligible tenants to provide decent, safe and sanitary housing for low-income families in private market rental units at rents they can afford. This is primarily a tenant-based rental assistance program through which participants are assisted in rental units of their choice; however, a public housing agency may also attach up to 15 percent of its certificate funding to rehabilitated or newly constructed units under a project-based component of the program. All assisted units must meet program guidelines. Housing assistance payments are used to make up the difference between the approved rent due to the owner for the dwelling unit and the family's required contribution towards rent. Assisted families must pay the highest of 30 percent of the monthly adjusted family income, 10 percent of gross monthly family income, or the portion of welfare assistance designated for the monthly housing cost of the family.

MOD REHAB #1, #2 AND #3

(Lower Income Housing Assistance - Section 8 Moderate Rehabilitation, CFDA #14.856)

Provides housing assistance payments to participating owners on behalf of eligible tenants to provide decent, safe and sanitary housing for very low-income families at rents they can afford. Housing assistance payments are used to make up the difference between the approved rent due to the owner for the dwelling unit and the occupant family's required contribution towards rent. Assisted families must pay the highest of 30 percent of their monthly adjusted family income, 10 percent of gross family income, or the portion of welfare assistance designated for housing toward rent.

RENTAL VOUCHERS

(Section 8 Rental Vouchers, CFDA #14.855)

Provides housing assistance payments to participating owners on behalf of eligible tenants to provide decent, safe and sanitary housing for very low-income families at rents they can afford. Housing assistance payments are generally the difference between the local payment standard and 30 percent of the family's adjusted income. The family has to pay at least 10 percent of gross monthly income for rent.

HOUSING AUTHORITY OF THE CITY OF ALEXANDRIA
Alexandria, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996

4. Tenant Files (Continued)

EFFECT OF CONDITION: No documentation for information contained in HUD Form 50058 for the above conditions.

RECOMMENDATION: Supervisors should review each tenant's file after the yearly recertification for both accuracy and completion.

MANAGEMENT'S RESPONSE: We will comply with the auditors' recommendation.

5. Tenant Files

(Section 8 Rental Certificates - CFDA #14.857)
(Section 8 Rental Vouchers - CFDA #14.855)

CONDITION: Out of ten Rental Certificate tenant files and seven rental voucher tenant files tested, the following were found:

1. Four instances of incorrect birth date on the HUD Form 50058.
2. Two instances of incorrect Social Security numbers on the HUD Form 50058.
3. One instance of no annual inspection in the tenant's file.

REASON IMPROVEMENT NEEDED: The information submitted to HUD on Form 50058 should be accurate and complete. In addition, HUD guidelines require public housing authorities to perform inspections at least on a yearly basis.

CAUSE OF CONDITION: For conditions 1 and 2, employees incorrectly keypunched the information entered for the HUD Form 50058. The cause of condition 3 is unknown.

EFFECT OF CONDITION: The submission of Form 80058 to HUD contained incorrect information. Also, the public housing authority is in violation of HUD guidelines concerning yearly inspections.

RECOMMENDATION: Supervisors should review each tenant's file after the yearly recertification for both accuracy and completion.

MANAGEMENT'S RESPONSE: We will comply with the auditors' recommendation.

6. Budget Adoption
(No Federal Programs)

CONDITION: One fund of the Housing Authority is titled Department of Transportation (DOT). The fund consists of rental income and expenses of approximately twelve single family rental units scattered throughout Rapides Parish. This fund also includes proceeds from the sale of rental units. This fund originated from the displacement of homes caused by the construction of Interstate 49.

HOUSING AUTHORITY OF THE CITY OF ALEXANDRIA
Alexandria, Louisiana

STATUS OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
JUNE 30, 1996

1. Budget Adoption

See current-year finding #6.

2. Section 8 - Tenant Files

See current-year finding #5.

3. Cost Allocation

This finding has been resolved.

4. Donation of Public Funds

No donations were noted in any audit testing; therefore, this finding is considered resolved.

5. Annual Employee Incentive

In testing payroll disbursements, no instances were noted of employee salary exceeding Louisiana Civil Service approved salary rates; therefore, this finding is considered resolved.